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William L. Roughton
Executive Vice President & General Counsel

Cambrian Communications LLC 12011 Lee Jackson Memorial Highway, Suite 320 Fairfax, VA 22033

> 703.788.4009 703.788.4014 fax broughton@cambrian.net

February 27,2003

FCC/MELLON

FEB 28 2003

VIA FEDEX

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls,
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re:

Application of PPL Telecom and Cambrian Communications LLC for

Domestic Section 214 Authorization to Transfer Assets

Dear Ms. Dortch:

On behalf of PPL Prism, LLC ("PPL") and Cambrian Communications LLC ("Cambrian"), enclosed please find an original and six (6) copies of the application for Commission approval to transfer Cambrian's assets to PPL. Also enclosed is a check in the amount of \$860.00, payable to the FCC, pursuant to the Commission rules. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided.

Please direct any questions regarding this filing to the undersigned.

'N// \

Sincerely.

William L. Roughton, Jr.

Cambrian Communications LLC

Enclosures

cc: via email

William Dever (WCB)

Tracy Wilson (WCB)

Eric Hurlocker (PPL)

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of the Application of)
PPL PRISM, LLC Transferee)
and)) WC Davidsot No. 02 -
CAMBRIAN COMMUNICATIONS LLC Transferor) WC Docket No. 03)
For Domestic Section 214 Authorization To Transfer Assets	}

APPLICATION

I. INTRODUCTION

PPL Prism, LLC ("PPL" **cr** "Transferee") and Cambrian Communications LLC ("Cambrian" **cr** "Transferor") (PPL and Cambrian, together, "Applicants"), by their undersigned counsel, hereby request authorization pursuant to Section **214** of the Communications Act of **1934**, **as** amended,' and the Commission's Report **and** Order issued in CC Docket No. 01-150,² for Cambrian to transfer substantially all of its assets, including its wholesale customer base, **to** PPL. Cambrian **is** a facilities-based provider of metro optical access services, offering interconnection between major carrier hotels, **data** centers and Verizon central offices within the Virginia **to** New York City comdor. PPL's parent, PPL Telcom, LLC is a facilities-based wholesale provider of data transport services for carrier and enterprise customers

⁴⁷ U.S.C. § 214.

Implementation & Further Streamlining Measures for Domestic Section 214 Authorizations. Report and Order, CC Docket No. 01-150, 17 FCC Red 5517 (2002) ("Streamlining Order") (modifying its filing requirements for asset acquisitions).

II. INFORMATION REQUIRED UNDER SECTION 63.04(a)

In support of this Application, Applicants submit the following information pursuant to Sections 63.03 and 63.04(a) of the Commission's rules.³

(1) Name, address and telephone number of each applicant.

Transferee: **PPL Prism**, LLC

Two North Ninth Skeet Allentown, PA 18101 Tel: (610) 774-5529 Fax: (610) 774-6726

Transferor: Cambrian Communications LLC

12011 Lee Jackson Memorial Highway

Suite **320**

Fairfax, VA **22033**Tel: **(703) 788-4000**Fax: **(703) 788-4014**

(2) State of organization.

Transferee: Transferee is organized under the laws of the State of

Delaware

Transferor: Transferor is organized under the laws of the State of

Delaware

(3) Contact person for this Application.

Correspondence and communications concerning this Application should be directed **to**:

For Transferee:

Richard D. Gary Hunton & Williams Riverfront Plaza, East Tower 951 East Byrd St. Richmond, VA 23219

Tel: (804) 788-8330 Fax: (804) 788-8218

Email: rgary@hunton.com

³ 47 U S.C. §§ 63.03 and 63 04(a)

For Transferor:

Bob Fragola

Cambrian Communications LLC

12011 Lee Jackson Memorial Highway

Suite 320

Fairfax, VA 22033 Tel: (703) 788-401**1**

Fax: (703) 788-4014

Email: rfragola@cambrian.net

(4) Ownership of Applicants.

<u>Transferee</u>: The following entities directly or indirectly **own** 10% or

more of the equity of the Transferee:

(a) Name: PPL Telcom, LLC ("PPLT")

Address: Two North Ninth Street

Allentown, PA 18101

Citizenship: U.S.A.

Percentage Owned: 100% owner of PPL Prism, LLC Principal Business. Telecommunications company

(b) Name: PPL ventures, LLC

Address: Two North North Street

Allentown, PA 18101

Citizenship: U.S.A.

Percentage Owned: 100% owner of PPL Telcom, LLC

Principal Business: Holding company

(c) Name: **PPL** Energy Funding Corporation

Address: **Two** North Ninth Street

Allentown, PA 18101

Citizenship: U.S.A.

Percentage Owned: 100% owner of PPL Ventures, LLC

Principal Business: Holding company

(d) Name: PPL Corporation

Address: Two North Ninth Street

Allentown, PA 18101

Citizenship: U.S.A.

Percentage Owned: 100% owner of PPL Energy Funding

Corporation

Principal Business: **An** energy and utility holding company

No other person or entity directly or indirectly **owns** ten percent (10%) or more of the equity of PPL, the Transferee.

<u>Transferor</u>: The following entity directly or indirectly **own** ten percent

(10%) or more of the equity of **the** Transferor:

(a) Name: Cambrian Communications Holdings LLC

("Cambrian Holdings")

Address: **1201**1 Lee Jackson Memorial Highway

Suite **320**

Fairfax, VA 22033

Citizenship: U.S.A. Percentage Owned: 100%

Principal Business: A holding company

The following entities directly own interests in Cambrian Holdings:

(b-1) Name: Dominion Telecom Partners

Address: **1201**1 Lee Jackson Memorial Highway

Suite 320

Fairfax, VA 22033

Citizenship: U.S.A. Percentage Owned: 56%

Principal Business: Investment company

(b-2) Name: Duff, Ackerman & Goodrich, LLC

Address: Two Embarcadero Center

Suite **2300**

San Francisco, CA 941 11

Citizenship: U.S.A. Percentage Owned: 13%

Principal Business: Private equity firm

No other person or entity directly or indirectly owns ten percent (10%) or more of the equity of Cambrian, the Transferee.

(5) PPL certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301.

Cambrian certifies pursuant to Sections **1.2001** through **1.2003 of the** Commission's rules that it is not subject to a denial of Federal benefits pursuant to Section **5301** of **the Anti-Drug** Abuse Act of 1988, 21 U.S.C. § **3301**.

(6) Description of the transaction.

Applicants request Commission approval for Cambrian to transfer substantially all of its assets, including its wholesale customer base, to PPL.

(7) <u>Description</u> of geographic areas served by Applicants and their affiliates.

Transferee: PPLT is a wholesale telecommunications provider offering

services **to** carriers, communications companies, emerging service providers, ISPs and major private network **owners**

in and around eastern Pennsylvania.

Transferor: Cambrian is a facilities-based provider of metro optical

access services, offering a seamless optical interconnection between major carrier hotels, data centers and Verizon central offices within the Virginia to New York City

corridor.

(8) Streamlined Treatment.

Applicants respectfully submit this Application qualifies for streamlined treatment because, as explained below, **the** proposed **asset** transfer does not have the potential to harm the public interest.

The Commission in the *Streamlining* Order established a presumption for transactions where neither of the applicants is dominant with respect to any service and the transaction would result in less than 10 percent market share! The **Commission** noted that it based its presumption upon guidelines suggesting that "total combined market shares of less than 10 percent in markets that are 'moderately concentrated' -- or even highly concentrated -- are unlikely to have adverse competitive consequences and ordinarily require **no** further analysis."

Applicants submit that the proposed asset transfer transaction is unlikely to have adverse competitive consequences and requires no further analysis because: (a) neither Applicant is dominant with respect to any service and (b) the market presence of the Transferee following the transfer of assets will be less than 10 percent.

The Commission also found that "transfers of incumbent LEC local exchange assets are unlikely to raise the potential of competitive harm and therefore are eligible for presumptive streamlined **treatment**." Given that

Id. at 5534-35; see also 47 C.F.R. §63.03(b)(1)(iii)

Streamlining Order, 17 FCC Rcd at 5532-33; see also 47 C.F.R§63.03(b)(2)(i).

Id. at 5533 n.65.

the Applicants are nondominant carriers, the proposed transfer of assets from Cambrian to PPL is even less likely to raise the potential of competitive harm than a comparable transfer of local exchange assets between ILECs. Having concluded that the latter category of asset transfers qualifies for presumptively streamlined treatment, the Commission should accord streamlined treatment to this Application.

Because the proposed asset transfer has **no** potential to result in harm to **the** public interest, Applicants respectfully submit that this Application qualifies for streamlined proceeding.

(9) Related Applications.

No other FCC applications relate to the transaction that is the subject of this Application.

(10) Special Consideration.

Applicants are requesting special consideration of **this** Application because Cambrian is in bankruptcy and **this** transfer of **assets** and continuation of service **to** Cambrian's customers is pending in the Bankruptcy Court for **the** Eastern District of Virginia that is overseeing the **bankruptcy** proceeding. A hearing is scheduled for March 24,2003 in the Bankruptcy Court to approve the transfer of assets from Cambrian to **PPL.** Following the action of the Bankruptcy **Court**, Applicants anticipate that the asset transfer described herein will take place **on** or about March **31**, 2003.

(11) Waiver Requests.

Following approval of the Bankruptcy Court on March 24,2003, the assets are scheduled to be transferred on March 31,2003. If public notice is not listed 31 days prior to March 31,2003, the Applicants request a waiver of the 31-day period so as to allow the transfer of assets to proceed on March 31,2003.

(12) Statement of Public Interest.

Grant of this Application will **serve** the public interest, convenience and necessity by promoting competition **among** telecommunications carriers. Specifically, approval of the proposed **asset** transfer will enable **PPL** to strengthen its competitive presence in the geographic service area where Cambrian's network assets **are** located and **to** concentrate its resources and expertise on providing innovative and diversified transport service offerings for carriers serving **these** markets. **These** enhancements will inure directly the benefit of Cambrian's affected carrier customers as well

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as indirectly to consumers generally in the domestic telecommunications marketplace. Moreover, granting this Application will allow Cambrian's existing customers to continue to be well served without interruption following the conclusion of Cambrian's bankruptcy proceeding.

III. CONCLUSION

Wherefore, for the reasons stated herein, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for domestic Section 214 authorization for Cambrian to transfer substantially all of its assets to PPL and grant of the waiver requested in paragraph 11 of this Application.

Respectfully submitted,

Richard D. Gary

D. Zachary Grabill Hunton & Williams

Riverfront Plaza, East Tower

951 East Byrd St.

Richmond, VA 23219

Tel: (804) 788-8330 Fax: (804) 788-8218

Counsel to

PPL PRISM, LLC

William L. Roughton

Cámbrian Communications LLC

12011 Lee Jackson Memorial Highway

Suite 320

Fairfax, VA 22033

Tel: (703) 788-4009

Fax: (703) 788-4014

Counsel to

CAMBRIAN COMMUNICATIONSLLC

Dated: February 28,2003

CERTIFICATION

On behalf of Cambrian Communications LLC, I hereby certify that the statements in the foregoing Application for Domestic Section 214 Authorization To Transfer Assets are, true, complete, and correct to the best of my knowledge and are made in good faith.

CAMBRIAN COMMUNICATIONS LLC

William L. Roughton

Title: Executive Vice Resident & General

Counsel

February 27,2003

CERTIFICATION

On behalf of PPL Prism, LLC, I hereby certify that the statements in the foregoing Application for Domestic Section 214 Authorization To Transfer Assets are true, complete, and correct to the best of my knowledge and are made in good faith.

PPL prism, LLC

By:

David H. Kelley

Title: President

Date: February 27,2003